



Foreign Agricultural Service

GAIN Report

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Denmark

Livestock and Products

Danish Pig Meat to Japan

2003

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Report Highlights:

40,000 tons of Danish pig meat stored under EU supported Private Storage Aid are now being shipped to Japan.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
The Hague [NL1], DA

Under an EU management Committee decision December 5, 2003 the Commission supported private storage of pig meat Danish effective December 9, 2002 . The arrangement was discontinued effective February 6, 2003. During that period Danish contracts for Private Storage Aid amounted to 49,719 tons. Applications were submitted for a total of 58,882 tons but the conclusion of the private storage program on February 6, 2003 limited the contracts to 49,719 tons.

The products included:

Hams with bones in	4,546 tons
Bellies, boneless	12,365 tons
Other boneless*	31,279 tons

* Hams, shoulders, fore-parts, loins and collars.

Of the total 49,719 tons, 47,102 tons were contracted for 5 months and 2,513 for 3 months (mainly hams with bones).

Contrary to previous similar programs, private storage aid this time was intended also for storage for later sales within the EU. According to the regulation, the contractor may break the private storage contract with the EU after two months against documentation for exports to third countries.

The intention for the Danish companies have been to store the meat for later exports to Japan as these products always are frozen due to the more than 6 weeks transport time. This process has now started and the contracts are being discontinued. It is estimated that about 80 percent (corresponding to about 40,000 tons) of the storage under this scheme will be exported to Japan.

The EU support for this scheme covers both the storage costs and interest losses.

Background:

Danish pork production increased in 2002 by 2.5 percent to 1,731,000 tons of which 1,296,000 tons were exported. The share of exports of pork to third countries increased from 36.5 percent to 38 percent and amounted to 539,000 tons.

Danish exports to Japan increased from 228,276 tons in 2001 to 238,545 tons in 2002, an increase of 4.5 percent in spite of the safe guard clause in effect since September 2002. 2003 exports are forecast at the 2002 level.